

AMENDED IN SENATE JUNE 22, 2011

AMENDED IN SENATE JUNE 16, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1430**

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**Introduced by Committee on Local Government (Assembly  
Members Smyth (Chair), Alejo (Vice Chair), Bradford, Campos,  
Davis, Gordon, Hueso, and Norby)**

April 5, 2011

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An act to amend Sections 56011, 56012, 56013, 56014, 56015, 56017, 56020, 56020.5, 56020.7, 56021, 56023, 56024, 56029, 56031, 56033, 56034, 56035, 56036, 56038, 56039, 56040, 56041, 56043, 56044, 56046, 56047, 56047.5, 56048, 56049, 56051, 56052, 56053, 56055, 56056, 56057, 56062, 56065, 56066, 56069, 56070, 56073, 56074, 56075, 56078, 56100, 56117, 56127, 56128, 56375, 56383, 56428, 56757, 56824.14, 56864, 56866, 56895, 57001, 57002, 57078, 57090, 57104, 57105, 57114, 57150, 57525, and 57534 of, to amend and renumber Sections 56376 and 56376.5 of, to add Sections 56017.1, 56017.2, 56020.6, 56032.5, 56036.5, 56036.6, 56050.5, 56069.5, and 56073.1 to, and to repeal Sections 56018, 56037, 56042, 56058, 56063, 56068, *and* 56079, ~~and 56080~~ of, the Government Code, and to amend Section 101370 of the Public Utilities Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1430, as amended, Committee on Local Government. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 omnibus bill.

Existing law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

This bill would revise various definitions within that act, and would make other conforming and technical changes.

Existing law authorizes a district of limited powers, as defined, to be merged with, or established as, a subsidiary district of a city in accordance with procedures established by the act.

This bill would, instead, authorize a district, as defined, to be merged with, or established as, a subsidiary district of a city in accordance with procedures established by the act. This bill would also delete all references to a district of limited powers.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 56011 of the Government Code is  
2 amended to read:

3 56011. "Affected city" means any city that contains or would  
4 contain, or whose sphere of influence contains or would contain,  
5 territory for which a change of organization is proposed or ordered,  
6 either singularly or as part of a reorganization.

7 SEC. 2. Section 56012 of the Government Code is amended  
8 to read:

9 56012. "Affected county" means any county that contains, or  
10 would contain, any territory for which a change of organization is  
11 proposed or ordered either singularly or as part of a reorganization  
12 or that contains all or any part of a district for which a change of  
13 organization or reorganization is proposed with respect to territory  
14 outside that county.

15 SEC. 3. Section 56013 of the Government Code is amended  
16 to read:

17 56013. "Affected district" means any special district, as defined  
18 by Section 56036, that contains or would contain, or whose sphere  
19 of influence contains or would contain, any territory for which a  
20 change of organization is proposed or ordered either singularly or  
21 as part of a reorganization.

22 SEC. 4. Section 56014 of the Government Code is amended  
23 to read:

1     56014. “Affected local agency” means any local agency that  
2 contains, or would contain, or whose sphere of influence contains  
3 or would contain, any territory for which a change of organization  
4 is proposed or ordered, either singularly or as part of a  
5 reorganization or for which a study is to be reviewed by the  
6 commission.

7     SEC. 5. Section 56015 of the Government Code is amended  
8 to read:

9     56015. “Affected territory” means any territory for which a  
10 change of organization or reorganization, or sphere of influence  
11 change, is proposed or ordered.

12     SEC. 6. Section 56017 of the Government Code, ~~as added by~~  
13 ~~Section 3 of Chapter 541 of the Statutes of 1985,~~ is amended to  
14 read:

15     56017. “Annexation” means the inclusion, attachment, or  
16 addition of territory to a city or district.

17     SEC. 7. Section 56017.1 is added to the Government Code, to  
18 read:

19     56017.1. “Applicant” means a local agency or person or persons  
20 that submits an application, as defined by Section 56017.2.

21     SEC. 8. Section 56017.2 is added to the Government Code, to  
22 read:

23     56017.2. “Application” means any of the following:

24     (a) A resolution of application or petition initiating a change of  
25 organization or reorganization with supporting documentation as  
26 required by the commission or executive officer.

27     (b) A request for a sphere of influence amendment or update  
28 pursuant to Section 56425.

29     (c) A request by a city or district for commission approval of  
30 an extension of services outside the agency’s jurisdictional  
31 boundaries pursuant to Section 56133.

32     SEC. 9. Section 56018 of the Government Code is repealed.

33     SEC. 10. Section 56020 of the Government Code is amended  
34 to read:

35     56020. “Board of supervisors” means the legislative body or  
36 governing board of a county.

37     SEC. 11. Section 56020.5 of the Government Code is amended  
38 to read:

39     56020.5. “Certificate of completion” means the document  
40 prepared by the executive officer and recorded with the county

1 recorder that confirms the final successful completion of a change  
2 of organization or reorganization.

3 SEC. 12. Section 56020.6 is added to the Government Code,  
4 to read:

5 56020.6. “Certificate of filing” means the document issued by  
6 the executive officer that confirms an application for a change of  
7 organization or reorganization has met submission requirements  
8 and is accepted for filing.

9 SEC. 13. Section 56020.7 of the Government Code is amended  
10 to read:

11 56020.7. “Certificate of termination” or “certificate of  
12 termination of proceedings” means the document prepared by the  
13 executive officer and retained by the commission that indicates  
14 that a proposal for a change of organization or reorganization was  
15 terminated because of a majority written protest, rejection by voters  
16 in an election, or the expiration of time prior to completion of  
17 proceedings pursuant to Section 57001 or a court order.

18 SEC. 14. Section 56021 of the Government Code is amended  
19 to read:

20 56021. “Change of organization” means any of the following:

- 21 (a) A city incorporation.
- 22 (b) A district formation.
- 23 (c) An annexation to a city.
- 24 (d) An annexation to a district.
- 25 (e) A detachment from a city.
- 26 (f) A detachment from a district.
- 27 (g) A disincorporation of a city.
- 28 (h) A district dissolution.
- 29 (i) A consolidation of cities.
- 30 (j) A consolidation of special districts.
- 31 (k) A merger of a city and a district.
- 32 (l) Establishment of a subsidiary district.
- 33 (m) The exercise of new or different functions or classes of  
34 services, or divestiture of the power to provide particular functions  
35 or classes of services, within all or part of the jurisdictional  
36 boundaries of a special district as provided in Article 1.5  
37 (commencing with Section 56824.10) of Chapter 5 of Part 3 of  
38 this division.

39 SEC. 15. Section 56023 of the Government Code is amended  
40 to read:

1 56023. “City” means any incorporated chartered or general  
2 law city, including any city the name of which includes the word  
3 “town.”

4 SEC. 16. Section 56024 of the Government Code is amended  
5 to read:

6 56024. “City council” means the legislative body or governing  
7 board of a city.

8 SEC. 17. Section 56029 of the Government Code is amended  
9 to read:

10 56029. “Conducting authority” means the commission of the  
11 principal county, or the commission’s executive officer when  
12 authorized by the commission, when exercising its responsibility  
13 to conduct protest proceedings following approval by the  
14 commission of a change of organization or reorganization.

15 SEC. 18. Section 56031 of the Government Code is amended  
16 to read:

17 56031. (a) “Contiguous” means territory adjacent to territory  
18 within the local agency.

19 (b) Territory is not contiguous if the only contiguity is based  
20 upon a strip of land more than 300 feet long and less than 200 feet  
21 wide at its narrowest width, that width to be exclusive of highways.

22 SEC. 19. Section 56032.5 is added to the Government Code,  
23 to read:

24 56032.5. “Dependent special district” or “dependent district”  
25 includes any special district that has a legislative body that consists,  
26 in whole or part, of ex officio members who are officers of a county  
27 or another local agency, or who are appointees of those officers,  
28 and who are not appointed to fixed terms. “Dependent special  
29 district” or “dependent district” does not include any district  
30 excluded from the definition of district contained in Sections 56036  
31 and 56036.6.

32 SEC. 20. Section 56033 of the Government Code is amended  
33 to read:

34 56033. “Detachment” means the exclusion, deletion, or removal  
35 from a city or district of any portion of the territory of that city or  
36 district.

37 SEC. 21. Section 56034 of the Government Code is amended  
38 to read:

39 56034. “Disincorporation” means the dissolution,  
40 extinguishment, or termination of the existence of a city and the

1 cessation of its corporate powers, except for the purpose of winding  
2 up the affairs of the city.

3 SEC. 22. Section 56035 of the Government Code is amended  
4 to read:

5 56035. “Dissolution” means the disincorporation,  
6 extinguishment, or termination of the existence of a district and  
7 the cessation of all its corporate powers, except as the commission  
8 may otherwise provide pursuant to Section 56886 or for the purpose  
9 of winding up the affairs of the district.

10 SEC. 23. Section 56036 of the Government Code is amended  
11 to read:

12 56036. (a) “District” or “special district” are synonymous and  
13 mean an agency of the state, formed pursuant to general law or  
14 special act, for the local performance of governmental or  
15 proprietary functions within limited boundaries and in areas outside  
16 district boundaries when authorized by the commission pursuant  
17 to Section 56133.

18 (b) “District” or “special district” includes a county service area,  
19 but excludes all of the following:

- 20 (1) The state.
- 21 (2) A county.
- 22 (3) A city.
- 23 (4) A school district or a community college district.
- 24 (5) An assessment district or special assessment district.
- 25 (6) An improvement district.
- 26 (7) A community facilities district formed pursuant to the  
27 Mello-Roos Community Facilities Act of 1982 (Chapter 2.5  
28 (commencing with Section 53311) of Part 1 of Division 2 of Title  
29 5).
- 30 (8) A permanent road division formed pursuant to Article 3  
31 (commencing with Section 1160) of Chapter 4 of Division 2 of  
32 the Streets and Highways Code.
- 33 (9) An air pollution control district or an air quality maintenance  
34 district.
- 35 (10) A zone of any special district.

36 SEC. 24. Section 56036.5 is added to the Government Code,  
37 to read:

38 56036.5. (a) For the purposes of Chapter 1 (commencing with  
39 Section 57000) to Chapter 7 (commencing with Section 57176),  
40 inclusive, of Part 4 or Part 5 (commencing with Section 57300),

1 for each of the following entities proceedings for a change of  
2 organization shall be conducted pursuant to the principal act  
3 authorizing the establishment of that district:

- 4 (1) A unified or union high school library district.
- 5 (2) A bridge and highway district.
- 6 (3) A joint highway district.
- 7 (4) A transit or rapid transit district.
- 8 (5) A metropolitan water district.
- 9 (6) A separation of grade district.

10 (b) For other districts, where the principal act provides, the  
11 procedures in the principal act shall supersede the procedures set  
12 forth in this division.

13 SEC. 25. Section 56036.6 is added to the Government Code,  
14 to read:

15 56036.6. (a) For the purposes of Chapter 1 (commencing with  
16 Section 57000) to Chapter 7 (commencing with Section 57176),  
17 inclusive, of Part 4 or Part 5 (commencing with Section 57300),  
18 none of the following entities is a “district” or “special district” if  
19 the commission of the principal county determines, in accordance  
20 with Sections 56127 and 56128, that the entity is not a “district”  
21 or “special district”:

- 22 (1) A flood control district.
- 23 (2) A flood control and floodwater conservation district.
- 24 (3) A flood control and water conservation district.
- 25 (4) A conservation district.
- 26 (5) A water conservation district.
- 27 (6) A water replenishment district.
- 28 (7) The Orange County Water District.
- 29 (8) A California water storage district.
- 30 (9) A water agency.
- 31 (10) A county water authority or a water authority.

32 (b) If the commission determines that an entity described in this  
33 section is not a “district” or “special district,” any proceedings  
34 pursuant to Part 4 (commencing with Section 57000) for a change  
35 of organization involving the entity shall be conducted pursuant  
36 to the principal act authorizing the establishment of that entity.

37 SEC. 26. Section 56037 of the Government Code is repealed.

38 SEC. 27. Section 56038 of the Government Code is amended  
39 to read:

1     56038. “Executive officer” means the person appointed by a  
2 commission pursuant to Section 56384.

3     SEC. 28. Section 56039 of the Government Code is amended  
4 to read:

5     56039. “Formation” means the creation of a district.

6     SEC. 29. Section 56040 of the Government Code is amended  
7 to read:

8     56040. “Function” means any power granted by law to a local  
9 agency to provide designated governmental or proprietary services  
10 or facilities for the use, benefit, or protection of persons or property.

11     SEC. 30. Section 56041 of the Government Code is amended  
12 to read:

13     56041. “Improvement district” means an area or zone formed  
14 for the sole purpose of designating an area which is to bear a special  
15 tax or assessment for an improvement benefiting that area.

16     SEC. 31. Section 56042 of the Government Code is repealed.

17     SEC. 32. Section 56043 of the Government Code is amended  
18 to read:

19     56043. “Incorporation” means the creation or establishment  
20 of a city. Any area proposed for incorporation as a city shall have  
21 at least 500 registered voters residing within the affected territory  
22 at the time the proposal is initiated.

23     SEC. 33. Section 56044 of the Government Code is amended  
24 to read:

25     56044. “Independent district” or “independent special district”  
26 includes any special district having a legislative body all of whose  
27 members are elected by registered voters or landowners within the  
28 district, or whose members are appointed to fixed terms.  
29 “Independent special district” does not include any district excluded  
30 from the definition of district contained in Sections 56036 and  
31 56036.6.

32     SEC. 34. Section 56046 of the Government Code is amended  
33 to read:

34     56046. “Inhabited territory” means territory within which there  
35 reside 12 or more registered voters. The number of registered  
36 voters, as determined by the elections officer, shall be established  
37 as of the date a certificate of filing is issued by the executive  
38 officer. All other territory shall be deemed “uninhabited.”

39     SEC. 35. Section 56047 of the Government Code is amended  
40 to read:



1 56047. “Initiate” or “initiation” means the issuance of a  
2 certificate of filing by the executive officer.

3 SEC. 36. Section 56047.5 of the Government Code is amended  
4 to read:

5 56047.5. “Interested agency” means each local agency which  
6 provides facilities or services in the affected territory.

7 SEC. 37. Section 56048 of the Government Code is amended  
8 to read:

9 56048. (a) “Landowner” or “owner of land” means any person  
10 shown as the owner of land on the last equalized assessment roll  
11 prepared by the county at the time the determination is required  
12 to be made pursuant to the requirements of this division. Where  
13 that person is no longer the owner, the landowner or owner of land  
14 is any person entitled to be shown as the owner of land on the next  
15 equalized assessment roll.

16 (b) Where land is subject to a recorded written agreement of  
17 sale, any person shown in the agreement as the purchaser.

18 (c) Any public agency owning land other than highways,  
19 rights-of-way, easements, waterways, or canals.

20 SEC. 38. Section 56049 of the Government Code is amended  
21 to read:

22 56049. “Landowner-voter” means any person entitled to vote  
23 in a landowner-voter district, or the legal representative of that  
24 person or, in the case of an election, the proxy of that person if  
25 authorized by the principal act.

26 SEC. 39. Section 56050.5 is added to the Government Code,  
27 to read:

28 56050.5. “Latent service or power” means those services,  
29 facilities, functions, or powers authorized by the principal act under  
30 which the district is formed, but that are not being exercised, as  
31 determined by the commission pursuant to subdivision (i) of  
32 Section 56425.

33 SEC. 40. Section 56051 of the Government Code is amended  
34 to read:

35 56051. “Last equalized assessment roll” means the listing in  
36 use by a county, city, or district for the purpose of the annual levy  
37 and collection of any taxes or assessments.

38 This section does not require the use of the supplemental roll  
39 prepared pursuant to Chapter 3.5 (commencing with Section 75)  
40 of Part 0.5 of Division 1 of the Revenue and Taxation Code.

1 SEC. 41. Section 56052 of the Government Code is amended  
2 to read:

3 56052. “Legal representative” means an officer of a  
4 corporation, partnership, or limited liability company duly  
5 authorized to sign for, and on behalf of, the entity. Legal  
6 representative also includes a guardian, conservator, executor,  
7 administrator, trustee, or other person holding property in a trust  
8 capacity under appointment of a court, when authorized by an  
9 order of the court.

10 SEC. 42. Section 56053 of the Government Code is amended  
11 to read:

12 56053. “Legislative body” means the governing board of a  
13 city, county, or district.

14 SEC. 43. Section 56055 of the Government Code is amended  
15 to read:

16 56055. “Member district” means any district which is included,  
17 in whole or in part, within another district, a metropolitan water  
18 district, or any of the entities enumerated in Section 56036.6, all  
19 or any part of the first-mentioned district being entitled, under the  
20 provisions of the principal act of the second-mentioned district or  
21 entity, to receive or be furnished with any governmental or  
22 proprietary service or commodity by the second-mentioned district  
23 or entity.

24 SEC. 44. Section 56056 of the Government Code is amended  
25 to read:

26 56056. “Merger” means the termination of the existence of a  
27 district when the responsibility for the functions, services, assets,  
28 and liabilities of that district are assumed by a city as a result of  
29 proceedings taken pursuant to this division.

30 SEC. 45. Section 56057 of the Government Code is amended  
31 to read:

32 56057. “Next equalized assessment roll” means the listing to  
33 be equalized and used by a city, county, or district for the purpose  
34 of the annual levy and collection of any taxes or assessments  
35 imposed by the city, county, or district.

36 SEC. 46. Section 56058 of the Government Code is repealed.

37 SEC. 47. Section 56062 of the Government Code is amended  
38 to read:

39 56062. “Parent district” means any district, a metropolitan  
40 water district, or any of the entities enumerated in Section 56036.6,

1 which includes all or any part of another district, the  
2 first-mentioned district or entity being obligated, under the  
3 provisions of the principal act of the first-mentioned district or  
4 entity, to provide and furnish any governmental or proprietary  
5 service or commodity to the second-mentioned district.

6 SEC. 48. Section 56063 of the Government Code is repealed.

7 SEC. 49. Section 56065 of the Government Code is amended  
8 to read:

9 56065. "Principal act" means, in the case of a district, the law  
10 under which the district was formed and, in the case of a city, the  
11 general laws or the city charter.

12 SEC. 50. Section 56066 of the Government Code is amended  
13 to read:

14 56066. "Principal county" means the county having the greater  
15 portion of the entire assessed value, as shown on the last equalized  
16 assessment roll of the county or counties, of all taxable property  
17 within a district or districts for which a change of organization or  
18 reorganization is proposed.

19 SEC. 51. Section 56068 of the Government Code is repealed.

20 SEC. 52. Section 56069 of the Government Code is amended  
21 to read:

22 56069. "Proposal" means a desired change of organization or  
23 reorganization initiated by a petition or by resolution of application  
24 *of a legislative body or school district* for which a certificate of  
25 filing has been issued.

26 SEC. 53. Section 56069.5 is added to the Government Code,  
27 to read:

28 56069.5. "Protest proceedings" means proceedings taken by a  
29 commission, or its executive officer when authorized by the  
30 commission, as the conducting authority pursuant to Chapter 1  
31 (commencing with Section 57000), Chapter 2 (commencing with  
32 Section 57025), Chapter 3 (commencing with Section 57050), or  
33 Chapter 4 (commencing with Section 57075) of Part 4 of this  
34 division.

35 SEC. 54. Section 56070 of the Government Code is amended  
36 to read:

37 56070. "Public agency" means the state or any state agency,  
38 board, or commission, any city, county, city and county, special  
39 district, or any agency, board, or commission of the city, county,

1 city and county, special district, joint powers authority, or other  
2 political subdivision.

3 SEC. 55. Section 56073 of the Government Code is amended  
4 to read:

5 56073. “Reorganization” means two or more changes of  
6 organization contained within a single proposal.

7 SEC. 56. Section 56073.1 is added to the Government Code,  
8 to read:

9 56073.1. “Resolution of application” means the document  
10 adopted by a local agency or school district initiating a change of  
11 organization or reorganization pursuant to Section 56654.

12 SEC. 57. Section 56074 of the Government Code is amended  
13 to read:

14 56074. “Service” means a specific governmental activity  
15 established within, and as a part of, a general function of the ~~agency~~  
16 *special district*, as provided by regulations adopted by the  
17 commission pursuant to Chapter 5 (commencing with Section  
18 56821) of Part 3.

19 SEC. 58. Section 56075 of the Government Code is amended  
20 to read:

21 56075. “Special assessment district” or “assessment district”  
22 means an area fixed, established, and formed by a city, county,  
23 district, or the state, pursuant to general law, special act, or charter,  
24 that is specially benefited by, and assessed, or to be assessed, to  
25 pay the costs and expenses of, acquiring any lands or rights-of-way,  
26 acquiring or constructing any public improvements, maintaining  
27 or operating any public improvement, or lighting any public street,  
28 highway, or place.

29 SEC. 59. Section 56078 of the Government Code is amended  
30 to read:

31 56078. “Subsidiary district” means a district in which a city  
32 council is designated as, and empowered to act as, the ex officio  
33 board of directors of the district.

34 SEC. 60. Section 56079 of the Government Code is repealed.

35 ~~SEC. 61. Section 56080 of the Government Code is repealed.~~

36 ~~SEC. 62.~~

37 ~~SEC. 61.~~ Section 56100 of the Government Code is amended  
38 to read:

39 56100. (a) Except as otherwise provided in Section 56036.5,  
40 subdivision (b) of Section 56036.6, and Section 56101, this division

1 provides the sole and exclusive authority and procedure for the  
2 initiation, conduct, and completion of changes of organization and  
3 reorganization for cities and districts. All changes of organization  
4 and reorganizations shall be initiated, conducted, and completed  
5 in accordance with, and as provided in, this division.

6 (b) Notwithstanding any other provision of law, proceedings  
7 for the formation of a district shall be conducted as authorized by  
8 the principal act of the district proposed to be formed, except that  
9 the commission shall serve as the conducting authority and the  
10 procedural requirements of this division shall apply and shall  
11 prevail in the event of conflict with the procedural requirements  
12 of the principal act of the district. In the event of such a conflict,  
13 the commission shall specify the procedural requirements that  
14 apply, consistent with the requirements of this section.

15 ~~SEC. 63.~~

16 *SEC. 62.* Section 56117 of the Government Code is amended  
17 to read:

18 56117. A district may be either merged with, or established as,  
19 a subsidiary district of a city in the manner provided in this  
20 division.

21 A mutual service agreement between a city and a district may  
22 provide that the city shall not, while that agreement is in effect, or  
23 during any portion of the agreement's effective duration as the  
24 city and the district may stipulate in the agreement, initiate a  
25 proposal to establish the district as a subsidiary district of the city.

26 ~~SEC. 64.~~

27 *SEC. 63.* Section 56127 of the Government Code is amended  
28 to read:

29 56127. If the legislative body of any of the districts, agencies,  
30 or authorities enumerated in subdivision (a) of Section 56036.6  
31 desires a determination by the commission that the district, agency,  
32 or authority is not a district or a special district, for purposes of  
33 Part 4 (commencing with Section 57000) or Part 5 (commencing  
34 with Section 57300), the legislative body, prior to the adoption of  
35 any ordinance, resolution, or order proposing, declaring an  
36 intention, or initiating proceedings to make a change of  
37 organization, shall make application to the commission of the  
38 principal county describing the proposed change of organization  
39 and requesting that determination. If a proposal is initiated by other  
40 than the legislative body of a district or special district, the district

1 or special district may, within 10 days of notification by the  
2 commission of the initiation of the proposal, request a  
3 determination by the commission that it is not a district or special  
4 district for purposes of Part 4 (commencing with Section 57000)  
5 or Part 5 (commencing with Section 57300). That application shall  
6 be filed with the executive officer and shall be presented to the  
7 commission not later than its next regular meeting. The executive  
8 officer shall give the legislative body filing the application mailed  
9 notice of the time and place at which the application shall be  
10 presented to the commission. No other notice is required to be  
11 given. However, the commission may, prior to making its findings  
12 and determinations, order the executive officer to give notice of  
13 the filing and presentation of the application by publication or by  
14 mailing to other affected counties, cities, and districts, or by both  
15 publication and mailing.

16 ~~SEC. 65.~~

17 *SEC. 64.* Section 56128 of the Government Code is amended  
18 to read:

19 56128. (a) Upon presentation of any application filed pursuant  
20 to Section 56127, the commission shall determine that the applicant  
21 district, agency, or authority is not a district or special district for  
22 purposes of Part 4 (commencing with Section 57000) or Part 5  
23 (commencing with Section 57300), if the commission finds that  
24 the applicant is not engaged in any of the following:

25 (1) The distribution and sale for any purpose, other than for the  
26 purpose of resale, of water or of gas or electricity for light, heat,  
27 or power.

28 (2) Furnishing sanitary sewer service or garbage and refuse  
29 collection service to the ultimate users, as defined in subdivision  
30 (b), of those services.

31 (3) Providing fire or police protection.

32 (4) The acquisition, construction, maintenance, lighting, or  
33 operation of streets and highways, street and highway  
34 improvements, or park and recreation facilities, except as an  
35 incident to the exercise of other lawful powers of the applicant.

36 (b) "Ultimate user" means any user or consumer other than the  
37 state, the United States, a city, a county, or a district, or any agency,  
38 department, or office of any of those entities or a public utility.

39 If the commission determines that any applicant district, agency,  
40 or authority enumerated in subdivision (a) of Section 56036.6 is

not a district or special district, for purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300), then those provisions shall not apply to the change of organization or reorganization described in the application and proceedings for the change of organization or reorganization shall be taken under and pursuant to the principal act. If no application is made to the commission, or if the commission in passing upon an application does not determine that the applicant is not a district or special district for the purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300), then this division shall provide the sole and exclusive authority for the initiation, conduct, and completion for a change of organization or reorganization by that district, agency, or authority and, to the extent of any inconsistency between this division and the principal act of the applicant, this division shall control.

~~SEC. 66.~~

SEC. 65. Section 56375 of the Government Code is amended to read:

56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

1 (4) A commission shall not disapprove an annexation to a city,  
2 initiated by resolution, of contiguous territory that the commission  
3 finds is any of the following:

4 (A) Surrounded or substantially surrounded by the city to which  
5 the annexation is proposed or by that city and a county boundary  
6 or the Pacific Ocean if the territory to be annexed is substantially  
7 developed or developing, is not prime agricultural land as defined  
8 in Section 56064, is designated for urban growth by the general  
9 plan of the annexing city, and is not within the sphere of influence  
10 of another city.

11 (B) Located within an urban service area, ~~as that term is defined~~  
12 ~~in subdivision (g) of Section 56757~~, that has been delineated and  
13 adopted by a commission, which is not prime agricultural land, as  
14 defined by Section 56064, and is designated for urban growth by  
15 the general plan of the annexing city.

16 (C) An annexation or reorganization of unincorporated islands  
17 meeting the requirements of Section 56375.3.

18 (5) As a condition to the annexation of an area that is  
19 surrounded, or substantially surrounded, by the city to which the  
20 annexation is proposed, the commission may require, where  
21 consistent with the purposes of this division, that the annexation  
22 include the entire island of surrounded, or substantially surrounded,  
23 territory.

24 (6) A commission shall not impose any conditions that would  
25 directly regulate land use density or intensity, property  
26 development, or subdivision requirements.

27 (7) The decision of the commission with regard to a proposal  
28 to annex territory to a city shall be based upon the general plan  
29 and rezoning of the city. When the development purposes are not  
30 made known to the annexing city, the annexation shall be reviewed  
31 on the basis of the adopted plans and policies of the annexing city  
32 or county. A commission shall require, as a condition to  
33 annexation, that a city prezone the territory to be annexed or present  
34 evidence satisfactory to the commission that the existing  
35 development entitlements on the territory are vested or are already  
36 at build-out, and are consistent with the city's general plan.  
37 However, the commission shall not specify how, or in what  
38 manner, the territory shall be rezoned.

39 (b) With regard to a proposal for annexation or detachment of  
40 territory to, or from, a city or district or with regard to a proposal



1 for reorganization that includes annexation or detachment, to  
2 determine whether territory proposed for annexation or detachment,  
3 as described in its resolution approving the annexation, detachment,  
4 or reorganization, is inhabited or uninhabited.

5 (c) With regard to a proposal for consolidation of two or more  
6 cities or districts, to determine which city or district shall be the  
7 consolidated successor city or district.

8 (d) To approve the annexation of unincorporated, noncontiguous  
9 territory, subject to the limitations of Section 56742, located in the  
10 same county as that in which the city is located, and that is owned  
11 by a city and used for municipal purposes and to authorize the  
12 annexation of the territory without notice and hearing.

13 (e) To approve the annexation of unincorporated territory  
14 consistent with the planned and probable use of the property based  
15 upon the review of general plan and prezoning designations. No  
16 subsequent change may be made to the general plan for the annexed  
17 territory or zoning that is not in conformance to the prezoning  
18 designations for a period of two years after the completion of the  
19 annexation, unless the legislative body for the city makes a finding  
20 at a public hearing that a substantial change has occurred in  
21 circumstances that necessitate a departure from the prezoning in  
22 the application to the commission.

23 (f) With respect to the incorporation of a new city or the  
24 formation of a new special district, to determine the number of  
25 registered voters residing within the proposed city or special district  
26 or, for a landowner-voter special district, the number of owners  
27 of land and the assessed value of their land within the territory  
28 proposed to be included in the new special district. The number  
29 of registered voters shall be calculated as of the time of the last  
30 report of voter registration by the county elections official to the  
31 Secretary of State prior to the date the first signature was affixed  
32 to the petition. The executive officer shall notify the petitioners of  
33 the number of registered voters resulting from this calculation.  
34 The assessed value of the land within the territory proposed to be  
35 included in a new landowner-voter special district shall be  
36 calculated as shown on the last equalized assessment roll.

37 (g) To adopt written procedures for the evaluation of proposals,  
38 including written definitions consistent with existing state law.  
39 The commission may adopt standards for any of the factors

1 enumerated in Section 56668. Any standards adopted by the  
2 commission shall be written.

3 (h) To adopt standards and procedures for the evaluation of  
4 service plans submitted pursuant to Section 56653 and the initiation  
5 of a change of organization or reorganization pursuant to  
6 subdivision (a).

7 (i) To make and enforce regulations for the orderly and fair  
8 conduct of hearings by the commission.

9 (j) To incur usual and necessary expenses for the  
10 accomplishment of its functions.

11 (k) To appoint and assign staff personnel and to employ or  
12 contract for professional or consulting services to carry out and  
13 effect the functions of the commission.

14 (l) To review the boundaries of the territory involved in any  
15 proposal with respect to the definiteness and certainty of those  
16 boundaries, the nonconformance of proposed boundaries with lines  
17 of assessment or ownership, and other similar matters affecting  
18 the proposed boundaries.

19 (m) To waive the restrictions of Section 56744 if it finds that  
20 the application of the restrictions would be detrimental to the  
21 orderly development of the community and that the area that would  
22 be enclosed by the annexation or incorporation is so located that  
23 it cannot reasonably be annexed to another city or incorporated as  
24 a new city.

25 (n) To waive the application of Section 22613 of the Streets and  
26 Highways Code if it finds the application would deprive an area  
27 of a service needed to ensure the health, safety, or welfare of the  
28 residents of the area and if it finds that the waiver would not affect  
29 the ability of a city to provide any service. However, within 60  
30 days of the inclusion of the territory within the city, the legislative  
31 body may adopt a resolution nullifying the waiver.

32 (o) If the proposal includes the incorporation of a city, as defined  
33 in Section 56043, or the formation of a district, as defined in  
34 Section 2215 of the Revenue and Taxation Code, the commission  
35 shall determine the property tax revenue to be exchanged by the  
36 affected local agencies pursuant to Section 56810.

37 (p) To authorize a city or district to provide new or extended  
38 services outside its jurisdictional boundaries pursuant to Section  
39 56133.

1 (q) To enter into an agreement with the commission for an  
2 adjoining county for the purpose of determining procedures for  
3 the consideration of proposals that may affect the adjoining county  
4 or where the jurisdiction of an affected agency crosses the boundary  
5 of the adjoining county.

6 ~~SEC. 67.~~

7 *SEC. 66.* Section 56376 of the Government Code is amended  
8 and renumbered to read:

9 56886.6. The commission shall not impose a condition for the  
10 provision of services by the annexing city to an area which has  
11 not been placed within that city's adopted sphere of influence, as  
12 defined in Section 56076, unless that condition would mitigate  
13 effects which are a direct result of the annexation.

14 In the case of any annexation proposal for which a certificate of  
15 completion was not recorded prior to January 1, 1985, a condition  
16 imposed thereon which does not comply with the requirements of  
17 this section is null and void and shall not affect the validity of or  
18 terminate the annexation proceedings.

19 ~~SEC. 68.~~

20 *SEC. 67.* Section 56376.5 of the Government Code is amended  
21 and renumbered to read:

22 56886.7. (a) The commission shall not impose any condition  
23 on an annexing local agency with respect to the standards or  
24 frequency of maintenance of any existing street or road within the  
25 annexed territory.

26 (b) The commission shall not impose a condition which requires  
27 a local agency to improve an existing public facility which is not  
28 owned by the agency.

29 (c) This section shall not be construed as authorizing a  
30 commission to impose any conditions which it is not otherwise  
31 authorized to impose.

32 ~~SEC. 69.~~

33 *SEC. 68.* Section 56383 of the Government Code is amended  
34 to read:

35 56383. (a) The commission may establish a schedule of fees  
36 and a schedule of service charges for the proceedings taken  
37 pursuant to this division, including, but not limited to, all of the  
38 following:

39 (1) Filing and processing applications filed with the commission.

1 (2) Proceedings undertaken by the commission and any  
2 reorganization committee.

3 (3) Amending a sphere of influence.

4 (4) Reconsidering a resolution making determinations.

5 (b) The fees shall not exceed the estimated reasonable cost of  
6 providing the service for which the fee is charged and shall be  
7 imposed pursuant to Section 66016. The service charges shall not  
8 exceed the cost of providing the service for which the service  
9 charge is charged and shall be imposed pursuant to Section 66016.

10 (c) The commission may require that an applicant deposit some  
11 or all of the required amount that will be owed with the executive  
12 officer before any further action is taken. The deposit shall be  
13 made within the time period specified by the commission. No  
14 application shall be deemed filed until the applicant deposits the  
15 required amount with the executive officer. The executive officer  
16 shall provide the applicant with an accounting of all costs charged  
17 against the deposited amount. If the costs are less than the deposited  
18 amount, the executive officer shall refund the balance to the  
19 applicant after the executive officer verifies the completion of all  
20 proceedings. If the costs exceed the deposited amount, the applicant  
21 shall pay the difference prior to the completion of all proceedings.

22 (d) The commission may reduce or waive a fee, service charge,  
23 or deposit if it finds that payment would be detrimental to the  
24 public interest. The reduction or waiver of any fee, service charge,  
25 or deposit is limited to the costs incurred by the commission in  
26 the proceedings of an application.

27 (e) Any mandatory time limits for commission action may be  
28 deferred until the applicant pays the required fee, service charge,  
29 or deposit.

30 (f) The signatures on a petition submitted to the commission by  
31 registered voters shall be verified by the elections official of the  
32 county and the costs of verification shall be provided for in the  
33 same manner and by the same agencies which bear the costs of  
34 verifying signatures for an initiative petition in the same county.

35 (g) For incorporation proceedings that have been initiated by  
36 the filing of a sufficient number of voter signatures on petitions  
37 that have been verified by the county registrar of voters, the  
38 commission may, upon the receipt of a certification by the  
39 proponents that they are unable to raise sufficient funds to  
40 reimburse fees, service charges, or deposits for the proceedings,

1 take no action on the proposal and request a loan from the General  
2 Fund of an amount sufficient to cover those expenses subject to  
3 availability of an appropriation for those purposes and in  
4 accordance with any provisions of the appropriation. Repayment  
5 of the loan shall be made a condition of approval of the  
6 incorporation, if successful, and shall become an obligation of the  
7 newly formed city. Repayment shall be made within two years of  
8 the effective date of incorporation. If the proposal is denied by the  
9 commission or defeated at an election, the loan shall be forgiven.

10 ~~SEC. 70.~~

11 *SEC. 69.* Section 56428 of the Government Code is amended  
12 to read:

13 56428. (a) Any person or local agency may file a written  
14 request with the executive officer requesting amendments to a  
15 sphere of influence or urban service area, ~~as that term is defined~~  
16 ~~in subdivision (g) of Section 56757~~, adopted by the commission.  
17 The request shall state the nature of the proposed amendment, state  
18 the reasons for the request, include a map of the proposed  
19 amendment, and contain any additional data and information as  
20 may be required by the executive officer.

21 (b) After complying with the California Environmental Quality  
22 Act, Division 13 (commencing with Section 21000) of the Public  
23 Resources Code, the executive officer shall place the request on  
24 the agenda of the next meeting of the commission for which notice  
25 can be given. The executive officer shall give notice in the manner  
26 provided by Section 56427. On the date and time provided in the  
27 notice, the commission may do either of the following:

28 (1) Without further notice, consider the amendments to a sphere  
29 of influence.

30 (2) Set a future date for the hearing on the request.

31 (c) The executive officer shall review each requested amendment  
32 and prepare a report and recommendation. The report shall be  
33 completed not less than five days before the date specified in the  
34 notice of hearing. The executive officer shall send copies of the  
35 report to the person or agency making the request, each affected  
36 local agency, and each person who has filed a request for a report.

37 (d) At its meeting, the commission shall consider the request  
38 and receive any oral or written testimony. The consideration may  
39 be continued from time to time, but not to exceed 70 days from  
40 the date specified in the original notice. The person or agency

1 which filed the request may withdraw it at any time prior to the  
2 conclusion of the consideration by the commission.

3 (e) At the conclusion of its consideration, the commission may  
4 approve with or without amendment, wholly, partially, or  
5 conditionally, or disapprove the request. The commission shall  
6 follow the procedures in Section 56425.

7 (f) The commission may require the person or agency making  
8 a request pursuant to this section to pay a fee to cover the  
9 commission's costs. The fee shall not exceed the estimated  
10 reasonable cost of providing the service and shall be set pursuant  
11 to Section 56383. The commission may waive the fee if it finds  
12 that the request can be considered and studied as part of the  
13 periodic review of spheres of influence required by Section 56425.  
14 In addition, the commission may waive the fee if it finds that  
15 payment would be detrimental to the public interest.

16 (g) The commission and executive officer may review and act  
17 on any request to amend a sphere of influence or urban service  
18 area, ~~as that term is defined in subdivision (g) of Section 56757,~~  
19 concurrently with their review and determination on any related  
20 change of organization or reorganization. In case of a conflict  
21 between the provisions of this section and any other provisions of  
22 this part, the other provisions shall prevail.

23 ~~SEC. 71.~~

24 *SEC. 70.* Section 56757 of the Government Code is amended  
25 to read:

26 56757. (a) The commission shall not review a reorganization  
27 that includes an annexation to any city in Santa Clara County of  
28 unincorporated territory that is within the urban service area of the  
29 city if the reorganization is initiated by resolution of the legislative  
30 body of the city.

31 (b) The city council shall be the conducting authority for the  
32 reorganization and the proceedings for the reorganization shall be  
33 initiated and conducted as nearly as may be practicable in  
34 accordance with Part 4 (commencing with Section 57000).

35 (c) The city council, in adopting the resolution approving the  
36 reorganization, shall make all of the following findings:

37 (1) That the unincorporated territory is within the urban service  
38 area of the city as adopted by the commission.

39 (2) That the county surveyor has determined the boundaries of  
40 the proposal to be definite and certain, and in compliance with the

1 road annexation policies of the commission. The city shall  
2 reimburse the county for the actual costs incurred by the county  
3 surveyor in making this determination.

4 (3) That the proposal does not split lines of assessment or  
5 ownership.

6 (4) That the proposal does not create islands or areas in which  
7 it would be difficult to provide municipal services.

8 (5) That the proposal is consistent with the adopted general plan  
9 of the city.

10 (6) That the territory is contiguous to existing city limits.

11 (7) That the city has complied with all conditions imposed by  
12 the commission for inclusion of the territory in the urban service  
13 area of the city.

14 (d) All reorganizations which involve territory for which the  
15 land use designation in the general plan of the city has changed  
16 from the time that the urban service area of the city was last  
17 adopted by the commission, and which are processed by a city  
18 pursuant to this section shall be subject to an appeal to the  
19 commission upon submission of a petition of appeal, signed by at  
20 least 50 registered voters in the county.

21 (e) An appeal to the commission may also be made by  
22 submission of a resolution of appeal adopted by the legislative  
23 body of a special district solely for the purpose of determining  
24 whether some or all of the territory contained in the reorganization  
25 proposal should also be annexed or detached from that special  
26 district.

27 (f) Any petition submitted under subdivision (d) or resolution  
28 submitted under subdivision (e) shall be submitted to the executive  
29 officer within 15 days of the adoption by the city council of the  
30 resolution approving the annexation. The executive officer shall  
31 schedule the hearing for the next regular meeting of the commission  
32 as is practicable. The commission may set a reasonable appeal fee.

33 ~~(g) "Urban service area" means developed, undeveloped, or~~  
34 ~~agricultural land, either incorporated or unincorporated, within the~~  
35 ~~sphere of influence of a city, which is served by urban facilities,~~  
36 ~~utilities, and services or which are proposed to be served by urban~~  
37 ~~facilities, utilities, and services during the first five years of an~~  
38 ~~adopted capital improvement program of the city if the city adopts~~  
39 ~~that type of program for those facilities, utilities, and services. The~~  
40 ~~boundary around an urban area shall be called the urban service~~

1 ~~area boundary and shall be developed in cooperation with a city~~  
2 ~~and adopted by a commission pursuant to policies adopted by the~~  
3 ~~commission in accordance with Sections 56300, 56301, and 56425.~~

4 ~~SEC. 72.~~

5 *SEC. 71.* Section 56824.14 of the Government Code is amended  
6 to read:

7 56824.14. (a) The commission shall review and approve with  
8 or without amendments, wholly, partially, or conditionally, or  
9 disapprove proposals for the establishment of new or different  
10 functions or class of services, or the divestiture of the power to  
11 provide particular functions or class of services, within all or part  
12 of the jurisdictional boundaries of a special district, after a public  
13 hearing called and held for that purpose. The commission shall  
14 not approve a proposal for the establishment of new or different  
15 functions or class of services within the jurisdictional boundaries  
16 of a special district unless the commission determines that the  
17 special district will have sufficient revenues to carry out the  
18 proposed new or different functions or class of services except as  
19 specified in paragraph (1).

20 (1) The commission may approve a proposal for the  
21 establishment of new or different functions or class of services  
22 within the jurisdictional boundaries of a special district where the  
23 commission has determined that the special district will not have  
24 sufficient revenue to provide the proposed new or different  
25 functions or class of services, if the commission conditions its  
26 approval on the concurrent approval of sufficient revenue sources  
27 pursuant to Section 56886. In approving a proposal, the  
28 commission shall provide that if the revenue sources pursuant to  
29 Section 56886 are not approved, the authority of the special district  
30 to provide new or different functions or class of services shall not  
31 be established.

32 (2) Unless otherwise required by the principal act of the subject  
33 special district, or unless otherwise required by Section 57075 or  
34 57076, the approval by the commission for establishment of new  
35 or different functions or class of services, or the divestiture of the  
36 power to provide particular functions or class of services, shall not  
37 be subject to an election.

38 (b) At least 21 days prior to the date of that hearing, the  
39 executive officer shall give mailed notice of the hearing to each  
40 affected local agency or affected county, and to any interested



1 party who has filed a written request for notice with the executive  
2 officer. In addition, at least 21 days prior to the date of that hearing,  
3 the executive officer shall cause notice of the hearing to be  
4 published in accordance with Section 56153 in a newspaper of  
5 general circulation that is circulated within the territory affected  
6 by the proposal proposed to be adopted.

7 (c) The commission may continue from time to time any hearing  
8 called pursuant to this section. The commission shall hear and  
9 consider oral or written testimony presented by any affected local  
10 agency, affected county, or any interested person who appears at  
11 any hearing called and held pursuant to this section.

12 ~~SEC. 73.~~

13 SEC. 72. Section 56864 of the Government Code is amended  
14 to read:

15 56864. Petitions for the annexation of territory to, or  
16 detachment of territory from, a district shall be signed as follows:

17 (a) For a registered voter district, by any of the following:

18 (1) Not less than 25 percent of the registered voters within the  
19 *affected* territory proposed to be annexed or detached.

20 (2) Not less than 25 percent of the number of landowners within  
21 the *affected* territory proposed to be annexed or detached who also  
22 own not less than 25 percent of the assessed value of land within  
23 the territory.

24 (b) For a landowner-voter district, by not less than 25 percent  
25 of the number of landowners owning land within the *affected*  
26 territory proposed to be annexed or detached who also own not  
27 less than 25 percent of the assessed value of land within the  
28 territory.

29 ~~SEC. 74.~~

30 SEC. 73. Section 56866 of the Government Code is amended  
31 to read:

32 56866. Petitions for a merger of a district which overlaps a  
33 city, or for the establishment of the district as a subsidiary district  
34 of the city, shall be signed as follows:

35 (a) For a resident voter district, by either of the following:

36 (1) Five percent of the registered voters of the district.

37 (2) Five percent of the registered voters residing within the  
38 territory of the city outside the boundaries of the district.

39 (b) For a landowner-voter district, by either of the following:

1 (1) Five percent of the number of landowner-voters within the  
2 district who also own not less than 5 percent of assessed value of  
3 land within the district.

4 (2) Five percent of the registered voters residing within the  
5 territory of the city outside the boundaries of the district.

6 ~~SEC. 75.~~

7 *SEC. 74.* Section 56895 of the Government Code is amended  
8 to read:

9 56895. (a) When a commission has adopted a resolution  
10 making determinations, any person or affected agency may file a  
11 written request with the executive officer requesting amendments  
12 to or reconsideration of the resolution. The request shall state the  
13 specific modification to the resolution being requested and shall  
14 state what new or different facts that could not have been presented  
15 previously are claimed to warrant the reconsideration. If the request  
16 is filed by a school district that received notification pursuant to  
17 Section 56658, the commission shall consider that request at a  
18 public hearing.

19 (b) Notwithstanding Section 56106, the deadlines set by this  
20 section are mandatory. The person or agency shall file the written  
21 request within 30 days of the adoption of the initial or superseding  
22 resolution by the commission making determinations. If no person  
23 or agency files a timely request, the commission shall not take any  
24 action pursuant to this section.

25 (c) Upon receipt of a timely request, the executive officer shall  
26 not take any further action until the commission acts on the request.

27 (d) Upon receipt of a timely request by the executive officer,  
28 the time to file any action, including, but not limited to, an action  
29 pursuant to Section 21167 of the Public Resources Code and any  
30 provisions of Part 4 (commencing with Section 57000) governing  
31 the time within which the commission is to act shall be tolled for  
32 the time that the commission takes to act on the request.

33 (e) The executive officer shall place the request on the agenda  
34 of the next meeting of the commission for which notice can be  
35 given pursuant to this subdivision. The executive officer shall give  
36 notice of the consideration of the request by the commission in  
37 the same manner as for the original proposal. The executive officer  
38 may give notice in any other manner as he or she deems necessary  
39 or desirable.

1 (f) At that meeting, the commission shall consider the request  
2 and receive any oral or written testimony. The consideration may  
3 be continued from time to time but not to exceed 35 days from the  
4 date specified in the notice. The person or agency that filed the  
5 request may withdraw it at any time prior to the conclusion of the  
6 consideration by the commission.

7 (g) At the conclusion of its consideration, the commission may  
8 approve with or without amendment, wholly, partially, or  
9 conditionally, or disapprove the request. If the commission  
10 disapproves the request, it shall not adopt a new resolution making  
11 determinations. If the commission approves the request, with or  
12 without amendment, wholly, partially, or conditionally, the  
13 commission shall adopt a resolution making determinations that  
14 shall supersede the resolution previously issued.

15 (h) The determinations of the commission shall be final and  
16 conclusive. No person or agency shall make any further request  
17 for the same change or a substantially similar change, as  
18 determined by the commission.

19 (i) Notwithstanding subdivision (h), clerical errors or mistakes  
20 may be corrected pursuant to Section 56883.

21 ~~SEC. 76.~~

22 *SEC. 75.* Section 57001 of the Government Code is amended  
23 to read:

24 57001. If a certificate of completion for a change of  
25 organization or reorganization has not been filed within one year  
26 after the commission approves a proposal for that proceeding, the  
27 proceeding shall be deemed terminated unless prior to the  
28 expiration of that year the commission authorizes an extension of  
29 time for that completion. The extension may be for any period  
30 deemed reasonable to the commission for completion of necessary  
31 prerequisite actions by any party. If a proceeding has not been  
32 completed because of the order or decree of a court of competent  
33 jurisdiction temporarily enjoining or restraining the proceedings,  
34 this shall not be deemed a failure of completion and the one-year  
35 period shall be tolled for the time that order or decree is in effect.

36 ~~SEC. 77.~~

37 *SEC. 76.* Section 57002 of the Government Code is amended  
38 to read:

39 57002. (a) Within 35 days following the adoption of the  
40 commission's resolution making determinations, the executive

1 officer of the commission shall set the proposal for hearing and  
2 give notice of that hearing by mailing, publication, and posting,  
3 as provided in Chapter 4 (commencing with Section 56150) of  
4 Part 1. The hearing shall not be held prior to the expiration of the  
5 reconsideration period specified in subdivision (b) of Section  
6 56895. The date of that hearing shall not be less than 21 days, or  
7 more than 60 days, after the date the notice is given.

8 (b) Where the proceeding is for the establishment of a district  
9 as a subsidiary district of a city, upon the request of the affected  
10 district, the date of the hearing shall be at least 90 days, but no  
11 more than 135 days, from the date the notice is given.

12 (c) If authorized by the commission pursuant to Section 56663,  
13 a change of organization or reorganization may be approved  
14 without notice, hearing, and election.

15 ~~SEC. 78.~~

16 *SEC. 77.* Section 57078 of the Government Code is amended  
17 to read:

18 57078. In the case of any reorganization or change of  
19 organization, a majority protest shall be deemed to exist and the  
20 proposed change of organization or reorganization shall be  
21 terminated if the commission finds that written protests filed and  
22 not withdrawn prior to the conclusion of the hearing represent any  
23 of the following:

24 (a) In the case of uninhabited territory, landowners owning 50  
25 percent or more of the assessed value of the land within the  
26 territory.

27 (b) In the case of inhabited territory, 50 percent or more of the  
28 voters residing in the territory.

29 (c) In the case of a landowner-voter district, 50 percent or more  
30 of the voting power of the voters entitled to vote as a result of  
31 owning land within the district.

32 ~~SEC. 79.~~

33 *SEC. 78.* Section 57090 of the Government Code is amended  
34 to read:

35 57090. (a) Except as otherwise provided in subdivision (b), if  
36 proceedings are terminated, either by majority protest as provided  
37 in Sections 57075, 57076, and 57077, or if a majority of voters do  
38 not confirm the change of organization or reorganization as  
39 provided in Section 57179, no substantially similar proposal for a  
40 change of organization or reorganization of the same or

1 substantially the same territory may be filed with the commission  
2 within two years after the date of the certificate of termination if  
3 the proposal included an incorporation or city consolidation and  
4 within one year for any other change of organization or  
5 reorganization.

6 (b) The commission may waive the requirements of subdivision  
7 (a) if it finds these requirements are detrimental to the public  
8 interest.

9 ~~SEC. 80.~~

10 *SEC. 79.* Section 57104 of the Government Code is amended  
11 to read:

12 57104. Any order of merger may be adopted for a district,  
13 including any district previously established as a subsidiary district,  
14 if the entire territory of the district is included within the boundaries  
15 of a city upon the date of the order.

16 ~~SEC. 81.~~

17 *SEC. 80.* Section 57105 of the Government Code is amended  
18 to read:

19 57105. An order establishing a district as a subsidiary district  
20 may be adopted if upon the date of that order the commission  
21 determines that either of the following situations exists:

22 (a) The entire territory of the district is included within the  
23 boundaries of a city.

24 (b) A portion or portions of the territory of the district are  
25 included within the boundaries of a city and that portion or portions  
26 meet both of the following requirements:

27 (1) Represent 70 percent or more of the area of land within the  
28 district, as determined by reference to the statements and the maps  
29 or plats filed pursuant to Chapter 8 (commencing with Section  
30 54900) of Division 2 of Title 5 for the current fiscal year.

31 (2) Contain 70 percent or more of the number of registered  
32 voters who reside within the district as shown on the voters'  
33 register in the office of the county clerk or registrar of voters.

34 ~~SEC. 82.~~

35 *SEC. 81.* Section 57114 of the Government Code is amended  
36 to read:

37 57114. (a) Notwithstanding Sections 56854 and 57111, for  
38 any proposal for the dissolution of one or more districts and the  
39 annexation of all or substantially all of their territory to another  
40 district, not initiated by the commission pursuant to subdivision

1 (a) of Section 56375, the commission shall forward the change of  
2 organization or reorganization for confirmation by the voters if  
3 the commission finds either of the following:

4 (1) In the case of inhabited territory, that a petition requesting  
5 that the proposal be submitted to confirmation by the voters has  
6 been signed by either of the following:

7 (A) At least 25 percent of the number of landowners within any  
8 affected district within the affected territory who own at least 25  
9 percent of the assessed value of land within the territory.

10 (B) At least 25 percent of the voters entitled to vote as a result  
11 of residing within, or owning land within, any affected district  
12 within the affected territory.

13 (2) In the case of a landowner-voter district, that the territory  
14 is uninhabited and a petition requesting that the proposal be  
15 submitted to confirmation by the voters has been signed by at least  
16 25 percent of the number of landowners within any affected district  
17 within the affected territory, owning at least 25 percent of the  
18 assessed value of land within the territory of that district.

19 (b) If a petition that meets the requirements of this section has  
20 been filed, the commission shall order the proposal subject to  
21 confirmation by the voters of each district that has filed such a  
22 petition. The voter confirmation requirements set forth in  
23 subdivision (a) shall not apply to any proposal initiated by the  
24 commission under Section 56375 or where each affected district  
25 has consented to the proposal by a resolution adopted by a majority  
26 vote of its board of directors.

27 ~~SEC. 83.~~

28 *SEC. 82.* Section 57150 of the Government Code is amended  
29 to read:

30 57150. All proper expenses incurred in conducting elections  
31 for a change of organization or reorganization pursuant to this  
32 chapter shall be paid, unless otherwise provided by agreement  
33 between the commission and the proponents, as follows:

34 (a) In the case of annexation or detachment proceedings, by the  
35 local agency to or from which territory is annexed, or from which  
36 territory is detached, or was proposed to be annexed or detached.

37 (b) In the case of incorporation or formation proceedings, by  
38 the newly incorporated city or the newly formed district, if  
39 successful, or by the county within which the proposed city or  
40 district is located, if the incorporation or formation proceedings

1 are terminated. In the case of a separate election for city officers  
2 held following the election for incorporation pursuant to Section  
3 56825.5, by the newly incorporated city.

4 (c) In the case of disincorporation or dissolution proceedings,  
5 from the remaining assets of the disincorporated city or dissolved  
6 district or by the city proposed to be disincorporated or the district  
7 proposed to be dissolved if disincorporation or dissolution  
8 proceedings are terminated.

9 (d) In the case of consolidation proceedings, by the successor  
10 city or district or by the local agencies proposed to be consolidated,  
11 to be paid by those local agencies in proportion to their respective  
12 assessed values, if proceedings are terminated.

13 (e) In the case of a reorganization, by either of the following:

14 (1) If the reorganization is ordered, by the subject local agencies  
15 or successor local agencies, as the case may be, for any of the  
16 changes of organization specified in subdivisions (a) to (d),  
17 inclusive, that may be included in the particular reorganization, to  
18 be paid by those local agencies in proportion to their assessed  
19 value.

20 (2) If the reorganization proceedings are terminated or the  
21 proposal is defeated, by the county or counties within which the  
22 subject local agency is located.

23 ~~SEC. 84.~~

24 *SEC. 83.* Section 57525 of the Government Code is amended  
25 to read:

26 57525. On and after the effective date of a merger of a district  
27 with a city, the district is extinguished, terminated, and its existence  
28 ceases, except as otherwise provided in this chapter.

29 ~~SEC. 85.~~

30 *SEC. 84.* Section 57534 of the Government Code is amended  
31 to read:

32 57534. On and after the effective date of an order establishing  
33 a district as a subsidiary district of a city, the city council shall be  
34 designated as, and empowered to act as, ex officio the board of  
35 directors of the district. The district shall continue in existence  
36 with all of the powers, rights, duties, obligations, and functions  
37 provided for by the principal act, except for any provisions relating  
38 to the selection or removal of the members of the board of directors  
39 of the district.

1     ~~SEC. 86.~~

2     SEC. 85. Section 101370 of the Public Utilities Code is  
3 amended to read:

4     101370. As used in this article the terms “change of  
5 organization” and “reorganization” shall have the meanings defined  
6 in Section 56021 and Section 56073, respectively, of the  
7 Government Code.

8     SEC. 86. *The Legislature does not intend to affect the decision*  
9 *in Las Tunas Beach Geological Hazard Abatement District v.*  
10 *Superior Court (1995) 38 Cal.App.4th 1002 with respect to the*  
11 *changes made by Section 23 of this act.*